

FIRST REGULAR SESSION

HOUSE BILL NO. 1340

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CHRIST.

2313H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 361.700, 361.705, 361.707, 361.711, 361.715, 361.718, 361.720, 361.723, 361.725, and 361.727, RSMo, and to enact in lieu thereof forty-six new sections relating to money transmission, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 361.700, 361.705, 361.707, 361.711, 361.715, 361.718, 361.720, 2 361.723, 361.725, and 361.727, RSMo, are repealed and forty-six new sections enacted in 3 lieu thereof, to be known as sections 361.900, 361.903, 361.906, 361.909, 361.912, 361.915, 4 361.918, 361.921, 361.924, 361.927, 361.930, 361.933, 361.936, 361.939, 361.942, 361.945, 5 361.948, 361.951, 361.954, 361.957, 361.960, 361.963, 361.966, 361.969, 361.972, 361.975, 6 361.978, 361.981, 361.984, 361.987, 361.990, 361.993, 361.996, 361.999, 361.1002, 7 361.1005, 361.1008, 361.1011, 361.1014, 361.1017, 361.1020, 361.1023, 361.1026, 8 361.1029, 361.1032, and 361.1035, to read as follows:

361.900. Sections 361.900 to 361.1035 shall be known and may be cited as the
2 **"Money Transmission Modernization Act".**

361.903. Sections 361.900 to 361.1035 are designed to replace existing state
2 **money transmission laws currently codified in law and to:**

3 **(1) Ensure states may coordinate in all areas of regulation, licensing, and**
4 **supervision to eliminate unnecessary regulatory burden and more effectively utilize**
5 **regulator resources;**

6 **(2) Protect the public from financial crime;**

7 **(3) Standardize the types of activities that are subject to licensing or otherwise**
8 **exempt from licensing; and**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

9 **(4) Modernize safety and soundness requirements to ensure customer funds are**
10 **protected in an environment that supports innovative and competitive business**
11 **practices.**

361.906. For purposes of sections 361.900 to 361.1035, the following terms shall
2 **mean:**

3 **(1) "Acting in concert", persons knowingly acting together with a common goal**
4 **of jointly acquiring control of a licensee, regardless of whether under an express**
5 **agreement;**

6 **(2) "Authorized delegate", a person that a licensee designates to engage in**
7 **money transmission on behalf of the licensee;**

8 **(3) "Average daily money transmission liability", the amount of the licensee's**
9 **outstanding money transmission obligations in this state at the end of each day in a**
10 **given period of time, added together, and divided by the total number of days in the**
11 **given period of time. For purposes of calculating average daily money transmission**
12 **liability under sections 361.900 to 361.1035 for any licensee required to do so, the given**
13 **period of time shall be the quarters ending March thirty-first, June thirtieth, September**
14 **thirtieth, and December thirty-first;**

15 **(4) "Bank Secrecy Act", the Bank Secrecy Act, 31 U.S.C. Section 5311 et seq.,**
16 **and its implementing regulations, as amended and recodified from time to time;**

17 **(5) "Closed loop stored value", stored value that is redeemable by the issuer only**
18 **for goods or services provided by the issuer or its affiliate or franchisees of the issuer or**
19 **its affiliate, except to the extent required by applicable law to be redeemable in cash for**
20 **its cash value;**

21 **(6) "Commissioner", the commissioner of the Missouri division of finance;**

22 **(7) "Control":**

23 **(a) The power to vote, directly or indirectly, at least twenty-five percent of the**
24 **outstanding voting shares or voting interests of a licensee or person in control of a**
25 **licensee;**

26 **(b) The power to elect or appoint a majority of key individuals or executive**
27 **officers, managers, directors, trustees, or other persons exercising managerial authority**
28 **of a person in control of a licensee; or**

29 **(c) The power to exercise, directly or indirectly, a controlling influence over the**
30 **management or policies of a licensee or person in control of a licensee.**

31

32 **A person is presumed to exercise a controlling influence if the person holds the power to**
33 **vote, directly or indirectly, at least ten percent of the outstanding voting shares or voting**
34 **interests of a licensee or person in control of a licensee. A person presumed to exercise a**

35 **controlling influence as defined under this subdivision can rebut the presumption of**
36 **control if the person is a passive investor. For purposes of determining the percentage of**
37 **a person controlled by any other person, the person's interest shall be aggregated with**
38 **the interest of any other immediate family member, including the person's spouse,**
39 **parents, children, siblings, mothers- and fathers-in law, sons- and daughters-in-law,**
40 **brothers- and sisters-in-law, and any other person who shares such person's home;**

41 **(8) "Eligible rating", a credit rating of any of the three highest rating categories**
42 **provided by an eligible rating service. Each category may include rating category**
43 **modifiers such as "plus" or "minus" for Standard and Poor's or the equivalent for any**
44 **other eligible rating service;**

45 **(9) "Eligible rating service", any nationally recognized statistical rating**
46 **organization (NRSRO) as defined by the United States Securities and Exchange**
47 **Commission and any other organization designated by rule or order;**

48 **(10) "Federally insured depository financial institution", a bank, credit union,**
49 **savings and loan association, trust company, savings association, savings bank,**
50 **industrial bank, or industrial loan company organized under the laws of the United**
51 **States or any state of the United States if such bank, credit union, savings and loan**
52 **association, trust company, savings association, savings bank, industrial bank, or**
53 **industrial loan company has federally insured deposits;**

54 **(11) "In this state", at a physical location within this state for a transaction**
55 **requested in person. For a transaction requested electronically or by phone, the**
56 **provider of money transmission may determine if the person requesting the transaction**
57 **is in this state by relying on other information provided by the person regarding the**
58 **location of the individual's residential address or a business entity's principal place of**
59 **business or other physical address location, and any records associated with the person**
60 **that the provider of money transmission may have that indicate such location including,**
61 **but not limited to, an address associated with an account;**

62 **(12) "Individual", a natural person;**

63 **(13) "Key individual", any individual ultimately responsible for establishing or**
64 **directing policies and procedures of the licensee, such as an executive officer, manager,**
65 **director, or trustee;**

66 **(14) "Licensee", a person licensed under sections 361.900 to 361.1035;**

67 **(15) "Material litigation", litigation that, according to United States generally**
68 **accepted accounting principles, is significant to a person's financial health and would be**
69 **required to be disclosed in the person's annual audited financial statements, report to**
70 **shareholders, or similar records;**

71 (16) "Monetary value", a medium of exchange, regardless of whether
72 redeemable in money;

73 (17) "Money", a medium of exchange that is authorized or adopted by the
74 United States or a foreign government. The term includes a monetary unit of account
75 established by an intergovernmental organization or by agreement between two or more
76 governments;

77 (18) "Money services business accredited state" or "MSB accredited state", a
78 state agency that is accredited by the Conference of State Bank Supervisors and Money
79 Transmitter Regulators Association for money transmission licensing and supervision;

80 (19) "Money transmission", any of the following:

81 (a) Selling or issuing payment instruments to a person located in this state;

82 (b) Selling or issuing stored value to a person located in this state; or

83 (c) Receiving money for transmission from a person located in this state.

84

85 The term includes payroll processing services. The term does not include the provision
86 solely of online or telecommunications services or network access;

87 (20) "Multistate licensing process", any agreement entered into by and among
88 state regulators relating to coordinated processing of applications for money
89 transmission licenses, applications for the acquisition of control of a licensee, control
90 determinations, or notice and information requirements for a change of key individuals;

91 (21) "NMLS", the Nationwide Multistate Licensing System and Registry
92 developed by the Conference of State Bank Supervisors and the American Association
93 of Residential Mortgage Regulators and owned and operated by the State Regulatory
94 Registry LLC or any successor or affiliated entity for the licensing and registration of
95 persons in financial services industries;

96 (22) "Outstanding money transmission obligations":

97 (a) Any payment instrument or stored value issued or sold by the licensee to a
98 person located in the United States or reported as sold by an authorized delegate of the
99 licensee to a person that is located in the United States that has not yet been paid or
100 refunded by or for the licensee or escheated in accordance with applicable abandoned
101 property laws; or

102 (b) Any money received for transmission by the licensee or an authorized
103 delegate in the United States from a person located in the United States that has not
104 been received by the payee or refunded to the sender, or escheated in accordance with
105 applicable abandoned property laws.

106

107 For purposes of this subdivision, "in the United States" shall include, to the extent
108 applicable, a person in any state, territory, or possession of the United States; the
109 District of Columbia; the Commonwealth of Puerto Rico; or a U.S. military installation
110 that is located in a foreign country;

111 (23) "Passive investor", a person that:

112 (a) Does not have the power to elect a majority of key individuals or executive
113 officers, managers, directors, trustees, or other persons exercising managerial authority
114 of a person in control of a licensee;

115 (b) Is not employed by and does not have any managerial duties of the licensee
116 or person in control of a licensee;

117 (c) Does not have the power to exercise, directly or indirectly, a controlling
118 influence over the management or policies of a licensee or person in control of a licensee;
119 and

120 (d) Either:

121 a. Attests to paragraphs (a), (b), and (c) of this subdivision, in a form and in a
122 medium prescribed by the commissioner; or

123 b. Commits to the passivity characteristics of paragraphs (a), (b), and (c) of this
124 subdivision in a written document;

125 (24) "Payment instrument", a written or electronic check, draft, money order,
126 traveler's check, or other written or electronic instrument for the transmission or
127 payment of money or monetary value, regardless of whether negotiable. The term does
128 not include stored value or any instrument that:

129 (a) Is redeemable by the issuer only for goods or services provided by the issuer
130 or its affiliate or franchisees of the issuer or its affiliate, except to the extent required by
131 applicable law to be redeemable in cash for its cash value; or

132 (b) Is not sold to the public but issued and distributed as part of a loyalty,
133 rewards, or promotional program;

134 (25) "Payroll processing services", receiving money for transmission under a
135 contract with a person to deliver wages or salaries, make payment of payroll taxes to
136 state and federal agencies, make payments relating to employee benefit plans, or make
137 distributions of other authorized deductions from wages or salaries. The term does not
138 include an employer performing payroll processing services on its own behalf or on
139 behalf of its affiliate or a professional employer organization subject to regulation under
140 sections 285.700 to 285.750;

141 (26) "Person", any individual, general partnership, limited partnership, limited
142 liability company, corporation, trust, association, joint stock corporation, or other
143 corporate entity identified by the commissioner;

144 (27) "Receiving money for transmission" or "money received for transmission",
145 receiving money or monetary value in the United States for transmission within or
146 outside the United States by electronic or other means;

147 (28) "Stored value", monetary value representing a claim against the issuer
148 evidenced by an electronic or digital record and that is intended and accepted for use as
149 a means of redemption for money or monetary value or payment for goods or services.
150 The term includes, but is not limited to, "prepaid access" as defined under 31 C.F.R.
151 Section 1010.100, as amended or recodified from time to time. Notwithstanding the
152 provisions of this subdivision, the term does not include a payment instrument or closed
153 loop stored value, or stored value not sold to the public but issued and distributed as
154 part of a loyalty, rewards, or promotional program;

155 (29) "Tangible net worth", the aggregate assets of a licensee excluding all
156 intangible assets, less liabilities, as determined in accordance with United States
157 generally accepted accounting principles.

361.909. Sections 361.900 to 361.1035 shall not apply to:

2 (1) An operator of a payment system to the extent that it provides processing,
3 clearing, or settlement services between or among persons exempted under this section
4 or licensees in connection with wire transfers, credit card transactions, debit card
5 transactions, stored value transactions, automated clearing house transfers, or similar
6 funds transfers;

7 (2) A person appointed as an agent of a payee to collect and process a payment
8 from a payer to the payee for goods or services, other than money transmission itself,
9 provided to the payer by the payee, provided that:

10 (a) There exists a written agreement between the payee and the agent directing
11 the agent to collect and process payments from a payer on the payee's behalf;

12 (b) The payee holds the agent out to the public as accepting payments for goods
13 or services on the payee's behalf; and

14 (c) Payment for the goods and services is treated as received by the payee upon
15 receipt by the agent so that the payer's obligation is extinguished and there is no risk of
16 loss to the payer if the agent fails to remit the funds to the payee;

17 (3) A person that acts as an intermediary by processing payments between an
18 entity that has directly incurred an outstanding money transmission obligation to a
19 sender and the sender's designated recipient, provided that the entity:

20 (a) Is properly licensed or exempt from licensing requirements under sections
21 361.900 to 361.1035;

22 **(b) Provides a receipt, electronic record, or other written confirmation to the**
23 **sender identifying the entity as the provider of money transmission in the transaction;**
24 **and**

25 **(c) Bears sole responsibility to satisfy the outstanding money transmission**
26 **obligation to the sender, including the obligation to make the sender whole in connection**
27 **with any failure to transmit the funds to the sender's designated recipient;**

28 **(4) The United States or a department, agency, or instrumentality thereof, or its**
29 **agent;**

30 **(5) Money transmission by the United States Postal Service or by an agent of the**
31 **United States Postal Service;**

32 **(6) A state, county, city, or any other governmental agency or governmental**
33 **subdivision or instrumentality of a state, or its agent;**

34 **(7) A federally insured depository financial institution, bank holding company,**
35 **office of an international banking corporation, foreign bank that establishes a federal**
36 **branch under the International Bank Act, 12 U.S.C. Section 3102, as amended or**
37 **recodified from time to time, corporation organized under the Bank Service**
38 **Corporation Act, 12 U.S.C. Sections 1861-1867, as amended or recodified from time**
39 **to time, or corporation organized under the Edge Act, 12 U.S.C. Sections 611-633, as**
40 **amended or recodified from time to time, under the laws of a state or the United States;**

41 **(8) Electronic funds transfer of governmental benefits for a federal, state,**
42 **county, or governmental agency by a contractor on behalf of the United States or a**
43 **department, agency, or instrumentality thereof, or on behalf of a state or governmental**
44 **subdivision, agency, or instrumentality thereof;**

45 **(9) A board of trade designated as a contract market under the federal**
46 **Commodity Exchange Act, 7 U.S.C. Sections 1-25, as amended or recodified from time**
47 **to time, or a person that, in the ordinary course of business, provides clearance and**
48 **settlement services for a board of trade to the extent of its operation as or for such a**
49 **board;**

50 **(10) A registered futures commission merchant under the federal commodities**
51 **laws to the extent of its operation as such a merchant;**

52 **(11) A person registered as a securities broker-dealer under federal or state**
53 **securities laws to the extent of its operation as such a broker-dealer;**

54 **(12) An individual employed by a licensee, authorized delegate, or any person**
55 **exempted from the licensing requirements under sections 361.900 to 361.1035 if acting**
56 **within the scope of employment and under the supervision of the licensee, authorized**
57 **delegate, or exempted person as an employee and not as an independent contractor;**

58 **(13) A person expressly appointed as a third party service provider to or agent of**
59 **an entity exempt under subdivision (7) of this subsection solely to the extent that:**

60 **(a) Such service provider or agent is engaging in money transmission on behalf**
61 **of and under a written agreement with the exempt entity that sets forth the specific**
62 **functions that the service provider or agent is to perform; and**

63 **(b) The exempt entity assumes all risk of loss and all legal responsibility for**
64 **satisfying the outstanding money transmission obligations owed to purchasers and**
65 **holders of the outstanding money transmission obligations upon receipt of the**
66 **purchaser's or holder's money or monetary value by the service provider or agent; and**

67 **(14) A person exempt by regulation or order if the commissioner finds such**
68 **exemption to be in the public interest and that the regulation of such person is not**
69 **necessary for the purposes of sections 361.900 to 361.1035.**

361.912. The commissioner may require that any person claiming to be exempt
2 **from licensing under section 361.909 provide information and documentation to the**
3 **commissioner demonstrating that the person qualifies for any claimed exemption.**

361.915. 1. In order to carry out the purposes of sections 361.900 to 361.1035,
2 **the commissioner may, subject to the provisions of subsections 1 and 2 of section**
3 **361.918:**

4 **(1) Enter into agreements or relationships with other government officials or**
5 **federal and state regulatory agencies and regulatory associations in order to improve**
6 **efficiencies and reduce regulatory burden by standardizing methods or procedures, and**
7 **sharing resources, records, or related information obtained under sections 361.900 to**
8 **361.1035;**

9 **(2) Use, hire, contract, or employ analytical systems, methods, or software to**
10 **examine or investigate any person subject to sections 361.900 to 361.1035;**

11 **(3) Accept, from other state or federal government agencies or officials,**
12 **licensing, examination, or investigation reports made by such other state or federal**
13 **government agencies or officials; and**

14 **(4) Accept audit reports made by an independent certified public accountant or**
15 **other qualified third-party auditor for an applicant or licensee and incorporate the**
16 **audit report in any report of examination or investigation.**

17 **2. The commissioner shall have the broad administrative authority to:**

18 **(1) Administer, interpret, and enforce sections 361.900 to 361.1035 and**
19 **promulgate rules or regulations implementing sections 361.900 to 361.1035; and**

20 **(2) To recover the cost of administering and enforcing sections 361.900 to**
21 **361.1035 by imposing and collecting proportionate and equitable fees and costs**

22 associated with applications, examinations, investigations, and other actions required to
23 achieve the purpose of sections 361.900 to 361.1035.

24 **3. The commissioner shall promulgate all necessary rules and regulations for the**
25 **administration of sections 361.900 to 361.1035. Any rule or portion of a rule, as that**
26 **term is defined in section 536.010, that is created under the authority delegated in this**
27 **section shall become effective only if it complies with and is subject to all of the**
28 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter**
29 **536 are nonseverable and if any of the powers vested with the general assembly**
30 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
31 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
32 **and any rule proposed or adopted after August 28, 2023, shall be invalid and void.**

361.918. 1. Except as otherwise provided in subsection 2 of this section, all
2 **information or reports obtained by the commissioner from an applicant, licensee, or**
3 **authorized delegate and all information contained in or related to an examination,**
4 **investigation, operating report, or condition report prepared by, on behalf of, or for the**
5 **use of the commissioner, or financial statements, balance sheets, or authorized delegate**
6 **information, are confidential and are not subject to disclosure under chapter 610.**

7 **2. The commissioner may disclose information not otherwise subject to**
8 **disclosure under subsection 1 of this section to representatives of state or federal**
9 **agencies who promise in a record that they will maintain the confidentiality of the**
10 **information or if the commissioner finds that the disclosure is reasonably necessary for**
11 **the protection and interest of the public in accordance with chapter 610.**

12 **3. This section does not prohibit the commissioner from disclosing to the public a**
13 **list of all licensees or the aggregated financial or transactional data concerning those**
14 **licensees.**

15 **4. Information contained in the records of the Missouri division of finance that is**
16 **not confidential and may be made available to the public either on the division's website,**
17 **upon receipt by the division of a written request, or in NMLS shall include:**

18 **(1) The name, business address, telephone number, and unique identifier of a**
19 **licensee;**

20 **(2) The business address of a licensee's registered agent for service;**

21 **(3) The name, business address, and telephone number of all authorized**
22 **delegates;**

23 **(4) The terms of or a copy of any bond filed by a licensee, provided that**
24 **confidential information including, but not limited to, prices and fees for such bond is**
25 **redacted;**

26 **(5) Copies of any nonconfidential final orders of the division relating to any**
27 **violation of sections 361.900 to 361.1035 or regulations implementing sections 361.900 to**
28 **361.1035; and**

29 **(6) Imposition of an administrative fine or penalty under sections 361.900 to**
30 **361.1035.**

361.921. 1. The commissioner may conduct an examination or investigation of a
2 **licensee or authorized delegate or otherwise take independent action authorized by**
3 **sections 361.900 to 361.1035 or by a rule adopted or order issued under sections 361.900**
4 **to 361.1035 as reasonably necessary or appropriate to administer and enforce sections**
5 **361.900 to 361.1035, regulations implementing sections 361.900 to 361.1035, and other**
6 **applicable law, including the Bank Secrecy Act and the USA PATRIOT Act. The**
7 **commissioner may:**

8 **(1) Conduct an examination either onsite or offsite as the commissioner may**
9 **reasonably require;**

10 **(2) Conduct an examination in conjunction with an examination conducted by**
11 **representatives of other state agencies or agencies of another state or of the federal**
12 **government;**

13 **(3) Accept the examination report of another state agency or an agency of**
14 **another state or of the federal government, or a report prepared by an independent**
15 **accounting firm, which on being accepted is considered for all purposes as an official**
16 **report of the commissioner; and**

17 **(4) Summon and examine under oath a key individual or employee of a licensee**
18 **or authorized delegate and require the person to produce records regarding any matter**
19 **related to the condition and business of the licensee or authorized delegate.**

20 **2. A licensee or authorized delegate shall provide, and the commissioner shall**
21 **have full and complete access to, all records the commissioner may reasonably require**
22 **to conduct a complete examination. The records shall be provided at the location and in**
23 **the format specified by the commissioner. The commissioner may utilize multistate**
24 **record production standards and examination procedures when such standards will**
25 **reasonably achieve the requirements of this subsection.**

26 **3. Unless otherwise directed by the commissioner, a licensee shall pay all costs**
27 **reasonably incurred in connection with an examination of the licensee or the licensee's**
28 **authorized delegates.**

361.924. 1. To efficiently and effectively administer and enforce sections 361.900
2 **to 361.1035 and to minimize regulatory burden, the commissioner is authorized and**
3 **encouraged to participate in multistate supervisory processes established between states**
4 **and coordinated through the Conference of State Bank Supervisors, Money Transmitter**

5 **Regulators Association, and affiliates and successors thereof for all licensees that hold**
6 **licenses in this state and other states. As a participant in multistate supervision, the**
7 **commissioner shall:**

8 (1) **Cooperate, coordinate, and share information with other state and federal**
9 **regulators in accordance with section 361.918;**

10 (2) **Enter into written cooperation, coordination, or information-sharing**
11 **contracts or agreements with organizations the membership of which is made up of**
12 **state or federal governmental agencies; and**

13 (3) **Cooperate, coordinate, and share information with organizations the**
14 **membership of which is made up of state or federal governmental agencies, provided**
15 **that the organizations agree in writing to maintain the confidentiality and security of the**
16 **shared information in accordance with this section.**

17 2. **The commissioner shall not waive and nothing in this section constitutes a**
18 **waiver of the commissioner's authority to conduct an examination or investigation or**
19 **otherwise take independent action authorized by sections 361.900 to 361.1035 or a rule**
20 **adopted or order issued under sections 361.900 to 361.1035 to enforce compliance with**
21 **applicable state or federal law.**

22 3. **A joint examination or investigation, or acceptance of an examination or**
23 **investigation report, does not waive an examination assessment provided for in sections**
24 **361.900 to 361.1035.**

361.927. 1. **In the event state money transmission jurisdiction is conditioned on**
2 **a federal law, any inconsistencies between a provision of sections 361.900 to 361.1035**
3 **and the federal law governing money transmission shall be governed by the applicable**
4 **federal law to the extent of the inconsistency.**

5 2. **In the event of any inconsistencies between sections 361.900 to 361.1035 and a**
6 **federal law that governs under subsection 1 of this section, the commissioner may**
7 **provide interpretive guidance that:**

8 (1) **Identifies the inconsistency; and**

9 (2) **Identifies the appropriate means of compliance with federal law.**

361.930. 1. **A person shall not engage in the business of money transmission or**
2 **advertise, solicit, or hold itself out as providing money transmission unless the person is**
3 **licensed under sections 361.900 to 361.1035.**

4 2. **Subsection 1 of this section shall not apply to:**

5 (1) **A person that is an authorized delegate of a person licensed under sections**
6 **361.900 to 361.1035 acting within the scope of authority conferred by a written contract**
7 **with the licensee; or**

8 **(2) A person that is exempt under section 361.909 and does not engage in money**
9 **transmission outside the scope of such exemption.**

10 **3. A license issued under section 361.942 shall not be transferable or assignable.**

361.933. 1. To establish consistent licensing between this state and other states,
2 **the commissioner is authorized and encouraged to:**

3 **(1) Implement all licensing provisions of sections 361.900 to 361.1035 in a**
4 **manner that is consistent with other states that have adopted the money transmission**
5 **modernizations act or multistate licensing processes; and**

6 **(2) Participate in nationwide protocols for licensing cooperation and**
7 **coordination among state regulators, provided that such protocols are consistent with**
8 **sections 361.900 to 361.1035.**

9 **2. In order to fulfill the purposes of sections 361.900 to 361.1035, the**
10 **commissioner is authorized and encouraged to establish relationships or contracts with**
11 **NMLS or other entities designated by NMLS to enable the commissioner to:**

12 **(1) Collect and maintain records;**

13 **(2) Coordinate multistate licensing processes and supervision processes;**

14 **(3) Process fees; and**

15 **(4) Facilitate communication between this state and licensees or other persons**
16 **subject to sections 361.900 to 361.1035.**

17 **3. The commissioner is authorized and encouraged to utilize NMLS for all**
18 **aspects of licensing in accordance with sections 361.900 to 361.1035 including, but not**
19 **limited to, license applications, applications for acquisitions of control, surety bonds,**
20 **reporting, criminal history background checks, credit checks, fee processing, and**
21 **examinations.**

22 **4. The commissioner is authorized and encouraged to utilize NMLS forms,**
23 **processes, and functionalities in accordance with sections 361.900 to 361.1035. In the**
24 **event NMLS does not provide functionality, forms, or processes for a provision of**
25 **sections 361.900 to 361.1035, the commissioner is authorized and encouraged to strive to**
26 **implement the requirements in a manner that facilitates uniformity with respect to**
27 **licensing, supervision, reporting, and regulation of licensees licensed in multiple**
28 **jurisdictions.**

29 **5. (1) The commissioner is authorized and encouraged to establish and adopt, by**
30 **rule or regulation, requirements for participation by applicants and licensees in NMLS**
31 **upon the division of finance's determination that each requirement is consistent with**
32 **law, public interest, and the purposes of this section.**

33 **(2) Any rule or portion of a rule, as that term is defined in section 536.010, that is**
34 **created under the authority delegated in this section shall become effective only if it**

35 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
36 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
37 vested with the general assembly pursuant to chapter 536 to review, to delay the
38 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,
39 then the grant of rulemaking authority and any rule proposed or adopted after August
40 28, 2023, shall be invalid and void.

361.936. 1. Applicants for a license shall apply in a form and in a medium as
2 prescribed by the commissioner. Each such form shall contain content as set forth by
3 rule, regulation, instruction, or procedure of the commissioner and may be changed or
4 updated by the commissioner in accordance with applicable law in order to carry out
5 the purposes of sections 361.900 to 361.1035 and maintain consistency with NMLS
6 licensing standards and practices. The application shall state or contain, as applicable:

7 (1) The legal name and residential and business addresses of the applicant and
8 any fictitious or trade name used by the applicant in conducting its business;

9 (2) A list of any criminal convictions of the applicant and any material litigation
10 in which the applicant has been involved in the ten-year period next preceding the
11 submission of the application;

12 (3) A description of any money transmission previously provided by the
13 applicant and the money transmission that the applicant seeks to provide in this state;

14 (4) A list of the applicant's proposed authorized delegates and the locations in
15 this state where the applicant and its authorized delegates propose to engage in money
16 transmission;

17 (5) A list of other states in which the applicant is licensed to engage in money
18 transmission and any license revocations, suspensions, or other disciplinary action taken
19 against the applicant in another state;

20 (6) Information concerning any bankruptcy or receivership proceedings
21 affecting the licensee or a person in control of a licensee;

22 (7) A sample form of contract for authorized delegates, if applicable;

23 (8) A sample form of payment instrument or stored value, as applicable;

24 (9) The name and address of any federally insured depository financial
25 institution through which the applicant plans to conduct money transmission; and

26 (10) Any other information the commissioner or NMLS reasonably requires
27 with respect to the applicant.

28 2. If an applicant is a corporation, limited liability company, partnership, or
29 other legal entity, the applicant shall also provide:

30 (1) The date of the applicant's incorporation or formation and state or country
31 of incorporation or formation;

32 **(2) If applicable, a certificate of good standing from the state or country in which**
33 **the applicant is incorporated or formed;**

34 **(3) A brief description of the structure or organization of the applicant,**
35 **including any parents or subsidiaries of the applicant, and whether any parents or**
36 **subsidiaries are publicly traded;**

37 **(4) The legal name, any fictitious or trade name, all business and residential**
38 **addresses, and the employment, as applicable, in the ten-year period next preceding the**
39 **submission of the application of each key individual and person in control of the**
40 **applicant;**

41 **(5) A list of any criminal convictions and material litigation in which a person in**
42 **control of the applicant that is not an individual has been involved in the ten-year period**
43 **preceding the submission of the application;**

44 **(6) A copy of audited financial statements of the applicant for the most recent**
45 **fiscal year and for the two-year period next preceding the submission of the application**
46 **or, if determined to be acceptable to the commissioner, certified unaudited financial**
47 **statements for the most recent fiscal year or other period acceptable to the**
48 **commissioner;**

49 **(7) A certified copy of unaudited financial statements of the applicant for the**
50 **most recent fiscal quarter;**

51 **(8) If the applicant is a publicly traded corporation, a copy of the most recent**
52 **report filed with the United States Securities and Exchange Commission under Section**
53 **13 of the federal Securities Exchange Act of 1934, 15 U.S.C. Section 78m, as amended or**
54 **recodified from time to time;**

55 **(9) If the applicant is a wholly owned subsidiary of:**

56 **(a) A corporation publicly traded in the United States, a copy of audited**
57 **financial statements for the parent corporation for the most recent fiscal year or a copy**
58 **of the parent corporation's most recent report filed under Section 13 of the U.S.**
59 **Securities Exchange Act of 1934, 15 U.S.C. Section 78m, as amended or recodified from**
60 **time to time; or**

61 **(b) A corporation publicly traded outside the United States, a copy of similar**
62 **documentation filed with the regulator of the parent corporation's domicile outside the**
63 **United States;**

64 **(10) The name and address of the applicant's registered agent in this state; and**

65 **(11) Any other information the commissioner reasonably requires with respect**
66 **to the applicant.**

67 **3. A nonrefundable application fee and license fee, as determined by the**
68 **commissioner, shall accompany an application for a license under this section.**

69 **4. The commissioner may waive one or more requirements of subsections 1 and 2**
70 **of this section or permit an applicant to submit other information in lieu of the required**
71 **information.**

361.939. 1. Any individual in control of a licensee or applicant, any individual
2 **that seeks to acquire control of a licensee, and each key individual shall furnish to the**
3 **commissioner through NMLS the following items:**

4 **(1) The individual's fingerprints for submission to the Federal Bureau of**
5 **Investigation and the commissioner for purposes of a national criminal history**
6 **background check unless the person currently resides outside of the United States and**
7 **has resided outside of the United States for the last ten years; and**

8 **(2) Personal history and experience in a form and in a medium prescribed by the**
9 **commissioner, to obtain the following:**

10 **(a) An independent credit report from a consumer reporting agency unless the**
11 **individual does not have a Social Security number, in which case, this requirement shall**
12 **be waived;**

13 **(b) Information related to any criminal convictions or pending charges; and**

14 **(c) Information related to any regulatory or administrative action and any civil**
15 **litigation involving claims of fraud, misrepresentation, conversion, mismanagement of**
16 **funds, breach of fiduciary duty, or breach of contract.**

17 **2. If the individual has resided outside of the United States at any time in the last**
18 **ten years, the individual shall also provide an investigative background report prepared**
19 **by an independent search firm that meets the following requirements:**

20 **(1) At a minimum, the search firm shall:**

21 **(a) Demonstrate that it has sufficient knowledge and resources and employs**
22 **accepted and reasonable methodologies to conduct the research of the background**
23 **report; and**

24 **(b) Not be affiliated with or have an interest with the individual it is researching;**
25 **and**

26 **(2) At a minimum, the investigative background report shall be written in the**
27 **English language and shall contain the following:**

28 **(a) If available in the individual's current jurisdiction of residency, a**
29 **comprehensive credit report, or any equivalent information obtained or generated by**
30 **the independent search firm to accomplish such report, including a search of the court**
31 **data in the countries, provinces, states, cities, towns, and contiguous areas where the**
32 **individual resided and worked;**

33 **(b) Criminal records information for the past ten years including, but not**
34 **limited to, felonies, misdemeanors, or similar convictions for violations of law in the**

35 countries, provinces, states, cities, towns, and contiguous areas where the individual
36 resided and worked;

37 (c) Employment history;

38 (d) Media history, including an electronic search of national and local
39 publications, wire services, and business applications; and

40 (e) Financial services-related regulatory history including but not limited to,
41 money transmission, securities, banking, insurance, and mortgage-related industries.

361.942. 1. If an application for an original license under sections 361.900 to
2 361.1035 appears to include all the items and addresses and all of the matters that are
3 required, the application is complete and the commissioner shall promptly notify the
4 applicant in a record of the date on which the application is determined to be complete,
5 and:

6 (1) The commissioner shall approve or deny the application within one hundred
7 twenty days after the completion date; or

8 (2) If the application is not approved or denied within one hundred twenty days
9 after the completion date:

10 (a) The application is approved; and

11 (b) The license takes effect as of the first business day after expiration of the one
12 hundred twenty-day period.

13

14 The commissioner may for good cause extend the application period.

15 2. A determination by the commissioner that an application is complete and is
16 accepted for processing means only that the application, on its face, appears to include
17 all of the items, including the Criminal Background Check response from the Federal
18 Bureau of Investigation, and address all of the matters that are required, and is not an
19 assessment of the substance of the application or of the sufficiency of the information
20 provided.

21 3. If an application is filed and considered complete under this section, the
22 commissioner shall investigate the applicant's financial condition and responsibility,
23 financial and business experience, character, and general fitness. The commissioner
24 may conduct an onsite investigation of the applicant, the reasonable cost of which the
25 applicant shall pay. The commissioner shall issue a license to an applicant under this
26 section if the commissioner finds that all of the following conditions have been fulfilled:

27 (1) The applicant has complied with the provisions of sections 361.929 and
28 361.936; and

29 (2) The financial condition and responsibility, financial and business experience,
30 competence, character, and general fitness of the applicant; and the competence,

31 experience, character, and general fitness of the key individuals and persons in control
32 of the applicant indicate that it is in the interest of the public to permit the applicant to
33 engage in money transmission.

34 4. If an applicant avails itself or is otherwise subject to a multistate licensing
35 process:

36 (1) The commissioner shall be authorized and encouraged to accept the
37 investigation results of a lead investigative state for the purpose of subsection 3 of this
38 section if the lead investigative state has sufficient staffing, expertise, and minimum
39 standards; or

40 (2) If this state is a lead investigative state, the commissioner shall be authorized
41 and encouraged to investigate the applicant under subsection 3 of this section and the
42 time frames established by agreement through the multistate licensing process, provided
43 however, that in no case shall such time frame be noncompliant with the application
44 period in subdivision (1) of subsection 1 of this section.

45 5. The commissioner shall issue a formal written notice of the denial of a license
46 application within thirty days of the decision to deny the application. The commissioner
47 shall set forth in the notice of denial the specific reasons for the denial of the application.
48 An applicant whose application is denied by the commissioner under this subsection
49 may appeal within thirty days after receipt of the written notice of the denial under
50 chapter 536.

51 6. The initial license term shall begin on the day the application is approved.
52 The license shall expire on December thirty-first of the year in which the license term
53 began unless the initial license date is between November first and December thirty-
54 first, in which instance the initial license term shall run through December thirty-first of
55 the following year.

361.945. 1. A license under sections 361.900 to 361.1035 shall be renewed
2 annually. An annual renewal fee to be determined by the commissioner shall be paid no
3 more than sixty days before the license expiration. The renewal term shall be for a
4 period of one year and shall begin on January first of each year after the initial license
5 term and shall expire on December thirty-first of the year the renewal term begins.

6 2. A licensee shall submit a renewal report with the renewal fee, in a form and in
7 a medium prescribed by the commissioner. The renewal report shall state or contain a
8 description of each material change in information submitted by the licensee in its
9 original license application that has not been reported to the commissioner.

10 3. The commissioner for good cause may grant an extension of the renewal date.

11 4. The commissioner shall be authorized and encouraged to utilize NMLS to
12 process license renewals provided that such functionality is consistent with this section.

2 **361.948. 1. If a licensee does not continue to meet the qualifications or satisfy the**
3 **requirements that apply to an applicant for a new money transmission license, the**
4 **commissioner may suspend or revoke the licensee's license in accordance with the**
5 **procedures established under sections 361.900 to 361.1035 or other applicable state law**
6 **for such suspension or revocation.**

7 **2. An applicant for a money transmission license shall demonstrate that it meets**
8 **or will meet, and a money transmission licensee shall at all times meet, the requirements**
9 **in sections 361.999, 361.1002, and 361.1005.**

10 **361.951. 1. Any person, or group of persons acting in concert, seeking to acquire**
11 **control of a licensee shall obtain the written approval of the commissioner prior to**
12 **acquiring control. An individual is not deemed to acquire control of a licensee and is not**
13 **subject to the acquisition of control provisions when that individual becomes a key**
14 **individual in the ordinary course of business.**

15 **2. A person, or group of persons acting in concert, seeking to acquire control of a**
16 **licensee shall, in cooperation with the licensee:**

17 **(1) Submit an application in a form and in a medium prescribed by the**
18 **commissioner; and**

19 **(2) Submit a nonrefundable fee to be determined by the commissioner with the**
20 **request for approval.**

21 **3. Upon request, the commissioner may permit a licensee or a person, or group**
22 **of persons acting in concert, to submit some or all information required by the**
23 **commissioner under subdivision (1) of subsection 2 of this section without using NMLS.**

24 **4. The application required under subdivision (1) of subsection 2 of this section**
25 **shall include information required under section 361.939 for any new key individuals**
26 **that have not previously completed the requirements of section 361.939 for a licensee.**

27 **5. When an application for acquisition of control under this section appears to**
28 **include all the items and address all of the matters that are required, the application**
29 **shall be considered complete. The commissioner shall promptly notify the applicant in a**
30 **record of the date on which the application was determined to be complete, and:**

31 **(1) The commissioner shall approve or deny the application within sixty days**
32 **after the completion date; or**

33 **(2) If the application is not approved or denied within sixty days after the**
34 **completion date:**

35 **(a) The application is approved; and**

36 **(b) The person, or group of persons acting in concert, are not prohibited from**
37 **acquiring control; and**

38 **(3) The commissioner may for good cause extend the application period.**

30 **6. A determination by the commissioner that an application is complete and is**
31 **accepted for processing means only that the application, on its face, appears to include**
32 **all of the items and address all of the matters that are required, and is not an assessment**
33 **of the substance of the application or of the sufficiency of the information provided.**

34 **7. If an application is filed and considered complete under subsection 5 of this**
35 **section, the commissioner shall investigate the financial condition and responsibility,**
36 **financial and business experience, character, and general fitness of the person, or group**
37 **of persons acting in concert, seeking to acquire control. The commissioner shall**
38 **approve an acquisition of control under this section if the commissioner finds that all of**
39 **the following conditions have been fulfilled:**

40 **(1) The requirements of subsections 2 and 4 of this section have been met, as**
41 **applicable; and**

42 **(2) The financial condition and responsibility, financial and business experience,**
43 **competence, character, and general fitness of the person, or group of persons acting in**
44 **concert, seeking to acquire control and the competence, experience, character, and**
45 **general fitness of the key individuals and persons that would be in control of the licensee**
46 **after the acquisition of control indicate that it is in the interest of the public to permit**
47 **the person, or group of persons acting in concert, to control the licensee.**

48 **8. If an applicant avails itself or is otherwise subject to a multistate licensing**
49 **process:**

50 **(1) The commissioner is authorized and encouraged to accept the investigation**
51 **results of a lead investigative state for the purpose of subsection 7 of this section if the**
52 **lead investigative state has sufficient staffing, expertise, and minimum standards; or**

53 **(2) If this state is a lead investigative state, the commissioner is authorized and**
54 **encouraged to investigate the applicant under subsection 7 of this section and the time**
55 **frames established by agreement through the multistate licensing process.**

56 **9. The commissioner shall issue a formal written notice of the denial of an**
57 **application to acquire control within thirty days of the decision to deny the application.**
58 **The commissioner shall set forth in the notice of denial the specific reasons for the denial**
59 **of the application. An applicant whose application is denied by the commissioner under**
60 **this subsection may appeal within thirty days after receipt of the written notice of the**
61 **denial under chapter 536.**

62 **10. The requirements of subsections 1 and 2 of this section shall not apply to any**
63 **of the following:**

64 **(1) A person that acts as a proxy for the sole purpose of voting at a designated**
65 **meeting of the shareholders or holders of voting shares or voting interests of a licensee**
66 **or a person in control of a licensee;**

67 (2) A person that acquires control of a licensee by devise or descent;

68 (3) A person that acquires control of a licensee as a personal representative,
69 custodian, guardian, conservator, or trustee, or as an officer appointed by a court of
70 competent jurisdiction or by operation of law;

71 (4) A person that is exempt under subsection 7 of section 361.909;

72 (5) A person that the commissioner determines is not subject to subsection 1 of
73 this section based on the public interest;

74 (6) A public offering of securities of a licensee or a person in control of a
75 licensee; or

76 (7) An internal reorganization of a person in control of the licensee where the
77 ultimate person in control of the licensee remains the same.

78 11. Persons in subdivisions (2), (3), (4), (6), and (7) of subsection 10 of this section
79 in cooperation with the licensee shall notify the commissioner within fifteen days after
80 the acquisition of control.

81 12. (1) The requirements of subsections 1 and 2 of this section shall not apply to
82 a person that has complied with and received approval to engage in money transmission
83 under sections 361.900 to 361.1035 or was identified as a person in control in a prior
84 application filed with and approved by the commissioner or by an MSB accredited state
85 under a multistate licensing process, provided that:

86 (a) The person has not had a license revoked or suspended or controlled a
87 licensee that has had a license revoked or suspended while the person was in control of
88 the licensee in the previous five years;

89 (b) If the person is a licensee, the person is well managed and has received at
90 least a satisfactory rating for compliance at its most recent examination by an MSB
91 accredited state if such rating was given;

92 (c) The licensee to be acquired is projected to meet the requirements of sections
93 361.999, 361.1002, and 361.1005 after the acquisition of control is completed, and if the
94 person acquiring control is a licensee, that licensee is also projected to meet the
95 requirements of sections 361.999, 361.1002, and 361.1005 after the acquisition of control
96 is completed;

97 (d) The licensee to be acquired will not implement any material changes to its
98 business plan as a result of the acquisition of control, and if the person acquiring control
99 is a licensee, that licensee also will not implement any material changes to its business
100 plan as a result of the acquisition of control; and

101 (e) The person provides notice of the acquisition in cooperation with the licensee
102 and attests to paragraphs (a) to (d) of this subdivision in a form and in a medium
103 prescribed by the commissioner.

104 **(2) If the notice is not disapproved within thirty days after the date on which the**
105 **notice was determined to be complete, the notice is deemed approved.**

106 **13. Before filing an application for approval to acquire control of a licensee, a**
107 **person may request in writing a determination from the commissioner as to whether the**
108 **person would be considered a person in control of a licensee upon consummation of a**
109 **proposed transaction. If the commissioner determines that the person would not be a**
110 **person in control of a licensee, the proposed person and transaction is not subject to the**
111 **requirements of subsections 1 and 2 of this subsection.**

112 **14. If a multistate licensing process includes a determination under subsection 13**
113 **of this section and an applicant avails itself or is otherwise subject to the multistate**
114 **licensing process:**

115 **(1) The commissioner is authorized and encouraged to accept the control**
116 **determination of a lead investigative state with sufficient staffing, expertise, and**
117 **minimum standards for the purpose of subsection 13 of this section; or**

118 **(2) If this state is a lead investigative state, the commissioner is authorized and**
119 **encouraged to investigate the applicant under subsection 13 of this section and the time**
120 **frames established by agreement through the multistate licensing process.**

361.954. 1. A licensee adding or replacing any key individual shall:

2 **(1) Provide notice in a manner prescribed by the commissioner within fifteen**
3 **days after the effective date of the key individual's appointment; and**

4 **(2) Provide information as required by section 361.939 within forty-five days of**
5 **the effective date.**

6 **2. Within ninety days of the date on which the notice provided under subsection**
7 **1 of this section was determined to be complete, the commissioner may issue a notice of**
8 **disapproval of a key individual if the competence, experience, character, or integrity of**
9 **the individual would not be in the best interests of the public or the customers of the**
10 **licensee to permit the individual to be a key individual of such licensee.**

11 **3. A notice of disapproval shall contain a statement of the basis for disapproval**
12 **and shall be sent to the licensee and the disapproved individual. A licensee may appeal a**
13 **notice of disapproval under chapter 536 within thirty days after receipt of such notice of**
14 **disapproval.**

15 **4. If the notice provided under subsection 1 of this section is not disapproved**
16 **within ninety days after the date on which the notice was determined to be complete, the**
17 **key individual is deemed approved.**

18 **5. If a multistate licensing process includes a key individual notice review and**
19 **disapproval process under this section and the licensee avails itself or is otherwise**
20 **subject to the multistate licensing process:**

21 **(1) The commissioner is authorized and encouraged to accept the determination**
22 **of another state if the investigating state has sufficient staffing, expertise, and minimum**
23 **standards for the purpose of this section; or**

24 **(2) If this state is a lead investigative state, the commissioner is authorized and**
25 **encouraged to investigate the applicant under subsection 2 of this section and the time**
26 **frames established by agreement through the multistate licensing process.**

361.957. 1. Each licensee shall submit a report of condition within forty days of
2 **the end of the calendar quarter or within any extended time as the commissioner may**
3 **prescribe.**

4 **2. The report of condition shall include:**

5 **(1) Financial information at the licensee level;**

6 **(2) Nationwide and state-specific money transmission transaction information in**
7 **every jurisdiction in the United States where the licensee is licensed to engage in money**
8 **transmission;**

9 **(3) Permissible investments report;**

10 **(4) Transaction destination country reporting for money received for**
11 **transmission, if applicable; and**

12 **(5) Any other information the commissioner reasonably requires with respect to**
13 **the licensee. The commissioner is authorized and encouraged to utilize NMLS for the**
14 **submission of the report required by subsection 1 of this section and is authorized to**
15 **update as necessary the requirements of this section to carry out the purposes of sections**
16 **361.900 to 361.1035 and maintain consistency with NMLS reporting.**

17 **3. The information required under subdivision (4) of subsection 2 of this section**
18 **shall be included only in a report of condition submitted within forty-five days of the**
19 **end of the fourth calendar quarter.**

361.960. 1. Each licensee shall, within ninety days after the end of each fiscal
2 **year or within any extended time as the commissioner may prescribe, file with the**
3 **commissioner:**

4 **(1) An audited financial statement of the licensee for the fiscal year prepared in**
5 **accordance with United States generally accepted accounting principles; and**

6 **(2) Any other information as the commissioner may reasonably require.**

7 **2. The audited financial statement shall be prepared by an independent certified**
8 **public accountant or independent public accountant who is satisfactory to the**
9 **commissioner.**

10 **3. The audited financial statements shall include or be accompanied by a**
11 **certificate of opinion of the independent certified public accountant or independent**
12 **public accountant that is satisfactory in form and content to the commissioner. If the**

13 certificate or opinion is qualified, the commissioner may order the licensee to take any
14 action as the commissioner may find necessary to enable the independent certified
15 public accountant or independent public accountant to remove the qualification.

361.963. 1. Each licensee shall submit a report of authorized delegates within
2 forty-five days of the end of the calendar quarter. The commissioner is authorized and
3 encouraged to utilize NMLS for the submission of the report required under this
4 section, provided that such functionality is consistent with the requirements of this
5 section.

6 2. The authorized delegate report shall include, at a minimum, each authorized
7 delegate's:

- 8 (1) Company legal name;
- 9 (2) Taxpayer employer identification number;
- 10 (3) Principal provider identifier;
- 11 (4) Physical address, if any;
- 12 (5) Mailing address;
- 13 (6) Any business conducted in other states;
- 14 (7) Any fictitious or trade name;
- 15 (8) Contact person name, phone number, and email;
- 16 (9) Start date as licensee's authorized delegate;
- 17 (10) End date acting as licensee's authorized delegate, if applicable; and
- 18 (11) Any other information the commissioner reasonably requires with respect
19 to the authorized delegate.

361.966. 1. A licensee shall file a report with the commissioner within one
2 business day after the licensee has reason to know of the occurrence of any of the
3 following events:

- 4 (1) The filing of a petition by or against the licensee under the United States
5 Bankruptcy Code, 11 U.S.C. Section 101-110, as amended or recodified from time to
6 time, for bankruptcy or reorganization;
- 7 (2) The filing of a petition by or against the licensee for receivership, the
8 commencement of any other judicial or administrative proceeding for its dissolution or
9 reorganization, or the making of a general assignment for the benefit of its creditors; or
- 10 (3) The commencement of a proceeding to revoke or suspend its license in a state
11 or country in which the licensee engages in business or is licensed.

12 2. A licensee shall file a report with the commissioner within three business day
13 after the licensee has reason to know of the occurrence of any of the following events:

- 14 (1) A conviction of the licensee or of a key individual or person in control of the
15 licensee for a felony; or

16 **(2) A conviction of an authorized delegate for a felony.**

361.969. A licensee and an authorized delegate shall file all reports required by
2 **federal currency reporting, record keeping, and suspicious activity reporting**
3 **requirements as set forth in the Bank Secrecy Act and other federal and state laws**
4 **pertaining to money laundering. The timely filing of a complete and accurate report**
5 **required under this section with the appropriate federal agency is deemed compliant**
6 **with the requirements of this section.**

361.972. 1. A licensee shall maintain the following records for determining its
2 **compliance with sections 361.900 to 361.1035 for at least three years:**

3 **(1) A record of each outstanding money transmission obligation sold;**

4 **(2) A general ledger posted at least monthly containing all asset, liability, capital,**
5 **income, and expense accounts;**

6 **(3) Bank statements and bank reconciliation records;**

7 **(4) Records of outstanding money transmission obligations;**

8 **(5) Records of each outstanding money transmission obligation paid within the**
9 **three-year period;**

10 **(6) A list of the last known names and addresses of all of the licensee's authorized**
11 **delegates; and**

12 **(7) Any other records the commissioner reasonably requires by rule.**

13 **2. The items specified in subsection 1 of this section may be maintained in any**
14 **form of record.**

15 **3. Records specified in subsection 1 of this section may be maintained outside**
16 **this state if the records are made accessible to the commissioner on seven business-days'**
17 **notice that is sent in a record.**

18 **4. All records maintained by the licensee as required in subsections 1 to 3 of this**
19 **section are open to inspection by the commissioner under subsection 1 of section**
20 **361.921.**

361.975. 1. As used in this section, "remit" means to make direct payments of
2 **money to a licensee or its representative authorized to receive money or to deposit**
3 **money in a bank in an account specified by the licensee.**

4 **2. Before a licensee is authorized to conduct business through an authorized**
5 **delegate, or allows a person to act as the licensee's authorized delegate, the licensee**
6 **shall:**

7 **(1) Adopt, and update as necessary, written policies and procedures reasonably**
8 **designed to ensure that the licensee's authorized delegates comply with applicable state**
9 **and federal law;**

10 **(2) Enter into a written contract that complies with subsection 4 of this section;**
11 **and**

12 **(3) Conduct a reasonable risk-based background investigation sufficient for the**
13 **licensee to determine whether the authorized delegate has complied and will likely**
14 **comply with applicable state and federal law.**

15 **3. An authorized delegate shall operate in full compliance with sections 361.900**
16 **to 361.1035.**

17 **4. The written contract required under subsection 2 of this section shall be**
18 **signed by the licensee and the authorized delegate and, at a minimum, shall:**

19 **(1) Appoint the person signing the contract as the licensee's authorized delegate**
20 **with the authority to conduct money transmission on behalf of the licensee;**

21 **(2) Set forth the nature and scope of the relationship between the licensee and**
22 **the authorized delegate and the respective rights and responsibilities of the parties;**

23 **(3) Require the authorized delegate to agree to fully comply with all applicable**
24 **state and federal laws, rules, and regulations pertaining to money transmission,**
25 **including sections 361.900 to 361.1035 and regulations implementing sections 361.900 to**
26 **361.1035, relevant provisions of the Bank Secrecy Act, and the USA PATRIOT Act;**

27 **(4) Require the authorized delegate to remit and handle money and monetary**
28 **value in accordance with the terms of the contract between the licensee and the**
29 **authorized delegate;**

30 **(5) Impose a trust on money and monetary value net of fees received for money**
31 **transmission for the benefit of the licensee;**

32 **(6) Require the authorized delegate to prepare and maintain records as required**
33 **by sections 361.900 to 361.1035 or regulations implementing sections 361.900 to**
34 **361.1035, or as reasonably requested by the commissioner;**

35 **(7) Acknowledge that the authorized delegate consents to examination or**
36 **investigation by the commissioner;**

37 **(8) State that the licensee is subject to regulation by the commissioner and that,**
38 **as part of that regulation, the commissioner may suspend or revoke an authorized**
39 **delegate designation or require the licensee to terminate an authorized delegate**
40 **designation; and**

41 **(9) Acknowledge receipt of the written policies and procedures required under**
42 **subdivision (1) of subsection 1 of this section.**

43 **5. If the licensee's license is suspended, revoked, surrendered, or expired, the**
44 **licensee shall, within five business days, provide documentation to the commissioner**
45 **that the licensee has notified all applicable authorized delegates of the licensee whose**
46 **names are in a record filed with the commissioner of the suspension, revocation,**

47 surrender, or expiration of a license. Upon suspension, revocation, surrender, or
48 expiration of a license, applicable authorized delegates shall immediately cease to
49 provide money transmission as an authorized delegate of the licensee.

50 6. An authorized delegate of a licensee holds in trust for the benefit of the
51 licensee all money net of fees received from money transmission. If any authorized
52 delegate commingles any funds received from money transmission with any other funds
53 or property owned or controlled by the authorized delegate, all commingled funds and
54 other property shall be considered held in trust in favor of the licensee in an amount
55 equal to the amount of money net of fees received from money transmission.

56 7. An authorized delegate shall not use a subdelegate to conduct money
57 transmission on behalf of a licensee.

361.978. A person shall not engage in the business of money transmission on
2 behalf of a person not licensed under sections 361.900 to 361.1035 or not exempt under
3 sections 361.909 and 361.912. A person that engages in such activity provides money
4 transmission to the same extent as if the person were a licensee and shall be jointly and
5 severally liable with the unlicensed or nonexempt person.

361.981. 1. The circuit court in an action brought by a licensee shall have
2 jurisdiction to grant appropriate equitable or legal relief, including without limitation
3 prohibiting the authorized delegate from directly or indirectly acting as an authorized
4 delegate for any licensee in this state and the payment of restitution, damages, or other
5 monetary relief, if the circuit court finds that an authorized delegate failed to remit
6 money in accordance with the written contract required by subsection 2 of section
7 361.1275 or as otherwise directed by the licensee or required by law.

8 2. If the circuit court issues an order prohibiting a person from acting as an
9 authorized delegate for any licensee under subsection 1 of this section, the licensee that
10 brought the action shall report the order to the commissioner within thirty days and
11 shall report the order through NMLS within ninety days.

12 3. An authorized delegate who holds money in trust for the benefit of a licensee
13 and knowingly fails to remit more than one thousand dollars of such money is guilty of a
14 class E felony.

15 4. An authorized delegate who holds money in trust for the benefit of a licensee
16 and knowingly fails to remit no more than one thousand dollars of such money is guilty
17 of a class A misdemeanor.

361.984. 1. Every licensee shall forward all money received for transmission in
2 accordance with the terms of the agreement between the licensee and the sender unless
3 the licensee has a reasonable belief or a reasonable basis to believe that the sender may

4 be a victim of fraud or that a crime or violation of law, rule, or regulation has occurred,
5 is occurring, or may occur.

6 2. If a licensee fails to forward money received for transmission in accordance
7 with this section, the licensee shall respond to inquiries by the sender with the reason for
8 the failure unless providing a response would violate a state or federal law, rule, or
9 regulation.

361.987. 1. This section shall not apply to:

2 (1) Money received for transmission subject to the federal Remittance Rule, 12
3 C.F.R. Part 1005, Subpart B, as amended or recodified from time to time; or

4 (2) Money received for transmission under a written agreement between the
5 licensee and payee to process payments for goods or services provided by the payee.

6 2. Every licensee shall refund to the sender within ten days of receipt of the
7 sender's written request for a refund any and all money received for transmission unless
8 any of the following occurs:

9 (1) The money has been forwarded within ten days of the date on which the
10 money was received for transmission;

11 (2) Instructions have been given committing an equivalent amount of money to
12 the person designated by the sender within ten days of the date on which the money was
13 received for transmission;

14 (3) The agreement between the licensee and the sender instructs the licensee to
15 forward the money at a time that is beyond ten days of the date on which the money was
16 received for transmission. If funds have not yet been forwarded in accordance with the
17 terms of the agreement between the licensee and the sender, the licensee shall issue a
18 refund in accordance with the other provisions of this section;

19 (4) The refund is requested for a transaction that the licensee has not completed
20 based on a reasonable belief or a reasonable basis to believe that a crime or violation of
21 law, rule, or regulation has occurred, is occurring, or may occur; or

22 (5) The refund request does not enable the licensee to:

23 (a) Identify the sender's name and address or telephone number; or

24 (b) Identify the particular transaction to be refunded in the event the sender has
25 multiple transactions outstanding.

361.990. 1. This section shall not apply to:

2 (1) Money received for transmission subject to the federal Remittance Rule, 12
3 C.F.R. Part 1005, Subpart B, as amended or recodified from time to time;

4 (2) Money received for transmission that is not primarily for personal, family, or
5 household purposes;

6 **(3) Money received for transmission under a written agreement between the**
7 **licensee and payee to process payments for goods or services provided by the payee; or**

8 **(4) Payroll processing services.**

9 **2. For purposes of this section, "receipt" means a paper receipt, electronic**
10 **record, or other written confirmation. For a transaction conducted in person, the**
11 **receipt may be provided electronically if the sender requests or agrees to receive an**
12 **electronic receipt. For a transaction conducted electronically or by phone, a receipt may**
13 **be provided electronically. All electronic receipts shall be provided in a retainable form.**

14 **3. (1) Every licensee or its authorized delegate shall provide the sender a receipt**
15 **for money received for transmission. The receipt shall contain the following**
16 **information, as applicable:**

17 **(a) The name of the sender;**

18 **(b) The name of the designated recipient;**

19 **(c) The date of the transaction;**

20 **(d) The unique transaction or identification number;**

21 **(e) The name of the licensee, NMLS unique identifier, the licensee's business**
22 **address, and the licensee's customer service telephone number;**

23 **(f) The amount of the transaction in United States dollars;**

24 **(g) Any fee charged by the licensee to the sender for the transaction; and**

25 **(h) Any taxes collected by the licensee from the sender for the transaction.**

26 **(2) The receipt required by this section shall be in English and in the language**
27 **principally used by the licensee or authorized delegate to advertise, solicit, or negotiate,**
28 **either orally or in writing, for a transaction conducted in person, electronically, or by**
29 **phone, if other than English.**

361.993. Every licensee or authorized delegate shall include on a receipt or
2 **disclose on the licensee's website or mobile application the name and phone number of**
3 **the division of finance and a statement that the licensee's customers can contact the**
4 **division with questions or complaints about the licensee's money transmission services.**

361.996. 1. A licensee that provides payroll processing services shall:

2 **(1) Issue reports to clients detailing client payroll obligations in advance of the**
3 **payroll funds being deducted from an account; and**

4 **(2) Make available worker paystubs or an equivalent statement to workers.**

5 **2. Subsection 1 of this section shall not apply to a licensee providing payroll**
6 **processing services if the licensee's client designates the intended recipients to the**
7 **licensee and is responsible for providing the disclosures required by subdivision (2) of**
8 **subsection 1 of this section.**

361.999. 1. A licensee under sections 361.900 to 361.1035 shall maintain at all times a tangible net worth of the greater of one hundred thousand dollars or three percent of total assets for the first one hundred million dollars, two percent of additional assets for one hundred million dollars to one billion dollars, and one-half of one percent of additional assets for over one billion dollars.

2. Tangible net worth shall be demonstrated at initial application by the applicant's most recent audited or unaudited financial statements under subdivision (6) of subsection 2 of section 361.936.

3. Notwithstanding the provisions of this section, the commissioner shall have the authority, for good cause shown, to exempt, in part or in whole, from the requirements of this section any applicant or licensee.

361.1002. 1. An applicant for a money transmission license shall provide, and a licensee at all times shall maintain, security consisting of a surety bond in a form satisfactory to the commissioner.

2. The amount of the required security shall be:

(1) The greater of one hundred thousand dollars or an amount equal to one hundred percent of the licensee's average daily money transmission liability in this state calculated for the most recently completed three-month period, up to a maximum of five hundred thousand dollars; or

(2) In the event that the licensee's tangible net worth exceeds ten percent of the total assets, a surety bond of one hundred thousand dollars.

3. A licensee that maintains a bond in the maximum amount provided for in subsection 2 of this section shall not be required to calculate its average daily money transmission liability in this state for purposes of this section.

361.1005. 1. A licensee shall maintain at all times permissible investments that have a market value computed in accordance with United States generally accepted accounting principles of not less than the aggregate amount of all of its outstanding money transmission obligations.

2. Except for permissible investments enumerated in subsection 1 of section 361.1008, the commissioner, with respect to any licensee, may by rule limit the extent to which a specific investment maintained by a licensee within a class of permissible investments may be considered a permissible investment if the specific investment represents undue risk to customers not reflected in the market value of investments.

3. Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the event of insolvency, the filing of a petition by or against the licensee under the United States Bankruptcy Code, 11 U.S.C.

14 **Section 101-110, as amended or recodified from time to time, for bankruptcy or**
15 **reorganization, the filing of a petition by or against the licensee for receivership, the**
16 **commencement of any other judicial or administrative proceeding for its dissolution or**
17 **reorganization, or in the event of an action by a creditor against the licensee who is not a**
18 **beneficiary of the statutory trust. No permissible investments impressed with a trust**
19 **under this subsection shall be subject to attachment, levy of execution, or sequestration**
20 **by order of any court, except for a beneficiary of the statutory trust.**

21 **4. Upon the establishment of a statutory trust in accordance with subsection 3 of**
22 **this section or when any funds are drawn on a letter of credit under subdivision (4) of**
23 **subsection 1 of section 361.1008, the commissioner shall notify the applicable regulator**
24 **of each state in which the licensee is licensed to engage in money transmission, if any, of**
25 **the establishment of the trust or the funds drawn on the letter of credit, as applicable.**
26 **Notice shall be deemed satisfied if performed under a multistate agreement or through**
27 **NMLS. Funds drawn on a letter of credit, and any other permissible investments held**
28 **in trust for the benefit of the purchasers and holders of the licensee's outstanding money**
29 **transmission obligations, are deemed held in trust for the benefit of such purchasers and**
30 **holders on a pro rata and equitable basis in accordance with statutes under which**
31 **permissible investments are required to be held in this state, and other states, as**
32 **applicable. Any statutory trust established under this subsection shall be terminated**
33 **upon extinguishment of all of the licensee's outstanding money transmission obligations.**

34 **5. The commissioner by rule or by order may allow other types of investments**
35 **that the commissioner determines are of sufficient liquidity and quality to be a**
36 **permissible investment. The commissioner is authorized to participate in efforts with**
37 **other state regulators to determine that other types of investments are of sufficient**
38 **liquidity and quality to be a permissible investment.**

361.1008. 1. The following investments are permissible under section 361.1005:

2 **(1) Cash, including demand deposits, savings deposits, and funds in such**
3 **accounts held for the benefit of the licensee's customers in a federally insured depository**
4 **financial institution, and cash equivalents, including automated clearing house items in**
5 **transit to the licensee and automated clearing house items or international wires in**
6 **transit to a payee, cash in transit via armored car, cash in smart safes, cash in licensee-**
7 **owned locations, debit card or credit card-funded transmission receivables owed by any**
8 **bank, or money market mutual funds rated AAA by Standard & Poor's, or the**
9 **equivalent from any eligible rating service;**

10 **(2) Certificates of deposit or senior debt obligations of an insured depository**
11 **institution, as defined under the Federal Deposit Insurance Act, 12 U.S.C. Section 1813,**

12 as amended or recodified from time to time, or as defined under the federal Credit
13 Union Act, 12 U.S.C. Section 1781, as amended or recodified from time to time;

14 (3) An obligation of the United States or a commission, agency, or
15 instrumentality thereof; an obligation that is guaranteed fully as to principal and
16 interest by the United States; or an obligation of a state or a governmental subdivision,
17 agency, or instrumentality thereof;

18 (4) One hundred percent of the surety bond provided for under section 361.1002
19 that exceeds the average daily money transmission liability in this state; and

20 (5) The full drawable amount of an irrevocable standby letter of credit for which
21 the stated beneficiary is the commissioner that stipulates that the beneficiary need draw
22 only a sight draft under the letter of credit and present it to obtain funds up to the letter
23 of credit amount within seven days of presentation of the items required by paragraph
24 (d) of this subdivision. The letter of credit shall:

25 (a) Be issued by a federally insured depository financial institution, a foreign
26 bank that is authorized under federal law to maintain a federal agency or federal
27 branch office in a state or states, or a foreign bank that is authorized under state law to
28 maintain a branch in a state that:

29 a. Bears an eligible rating or whose parent company bears an eligible rating; and

30 b. Is regulated, supervised, and examined by United States federal or state
31 authorities having regulatory authority over banks, credit unions, and trust companies;

32 (b) Be irrevocable, unconditional, and indicate that it is not subject to any
33 condition or qualifications outside of the letter of credit;

34 (c) Not contain references to any other agreements, documents or entities, or
35 otherwise provide for any security interest in the licensee; and

36 (d) Contain an issue date and expiration date, and expressly provide for
37 automatic extension, without a written amendment, for an additional period of one year
38 from the present or each future expiration date unless the issuer of the letter of credit
39 notifies the commissioner in writing by certified or registered mail or courier mail or
40 other receipted means, at least sixty days prior to any expiration date, that the
41 irrevocable letter of credit will not be extended.

42 2. In the event of any notice of expiration or nonextension of a letter of credit
43 issued under paragraph (d) of subdivision (4) of subsection 1 of this section, the licensee
44 shall be required to demonstrate to the satisfaction of the commissioner, fifteen days
45 prior to expiration, that the licensee maintains and will maintain permissible
46 investments in accordance with subsection 1 of section 361.1005 upon the expiration
47 of the letter of credit. If the licensee is not able to do so, the commissioner may draw on
48 the letter of credit in an amount up to the amount necessary to meet the licensee's

49 requirements to maintain permissible investments in accordance with subsection 1 of
50 section 361.1005. Any such draw shall be offset against the licensee's outstanding money
51 transmission obligations. The drawn funds shall be held in trust by the commissioner or
52 the commissioner's designated agent, to the extent authorized by law, as agent for the
53 benefit of the purchasers and holders of the licensee's outstanding money transmission
54 obligations.

55 3. The letter of credit shall provide that the issuer of the letter of credit will
56 honor, at sight, a presentation made by the beneficiary to the issuer of the following
57 documents on or prior to the expiration date of the letter of credit:

58 (1) The original letter of credit, including any amendments; and

59 (2) A written statement from the beneficiary stating that any of the following
60 events have occurred:

61 (a) The filing of a petition by or against the licensee under the United States
62 Bankruptcy Code, 11 U.S.C. Section 101-110, as amended or recodified from time to
63 time, for bankruptcy or reorganization;

64 (b) The filing of a petition by or against the licensee for receivership, or the
65 commencement of any other judicial or administrative proceeding for its dissolution or
66 reorganization;

67 (c) The seizure of assets of a licensee by the commissioner under an emergency
68 order issued in accordance with applicable law, on the basis of an action, violation, or
69 condition that has caused or is likely to cause the insolvency of the licensee; or

70 (d) The beneficiary has received notice of expiration or nonextension of a letter
71 of credit and the licensee failed to demonstrate to the satisfaction of the beneficiary that
72 the licensee will maintain permissible investments in accordance with subsection 1 of
73 section 361.1005 upon the expiration or nonextension of the letter of credit.

74 4. The commissioner may designate an agent to serve on the commissioner's
75 behalf as beneficiary to a letter of credit so long as the agent and letter of credit meet
76 requirements established by the commissioner. The commissioner's agent may serve as
77 agent for multiple licensing authorities for a single irrevocable letter of credit if the
78 proceeds of the drawable amount for the purposes of this subsection are assigned to the
79 commissioner.

80 5. The commissioner is authorized and encouraged to participate in multistate
81 processes designed to facilitate the issuance and administration of letters of credit
82 including, but not limited to, services provided by the NMLS and State Regulatory
83 Registry LLC.

84 **6. Unless permitted by the commissioner by rule or by order to exceed the limit**
85 **as set forth herein, the following investments are permissible under section 361.1005 to**
86 **the extent specified:**

87 **(1) Receivables that are payable to a licensee from its authorized delegates in the**
88 **ordinary course of business that are less than seven days old, up to fifty percent of the**
89 **aggregate value of the licensee's total permissible investments. Of the receivables**
90 **permissible under this subdivision, receivables that are payable to a licensee from a**
91 **single authorized delegate in the ordinary course of business shall not exceed ten percent**
92 **of the aggregate value of the licensee's total permissible investments;**

93 **(2) The following investments, up to twenty percent per category and combined**
94 **up to fifty percent of the aggregate value of the licensee's total permissible investments:**

95 **(a) A short-term investment bearing an eligible rating. For purposes of this**
96 **paragraph, "short-term" means up to six months;**

97 **(b) Commercial paper bearing an eligible rating;**

98 **(c) A bill, note, bond, or debenture bearing an eligible rating;**

99 **(d) United States triparty repurchase agreements collateralized at one hundred**
100 **percent or more with United States government or agency securities, municipal bonds,**
101 **or other securities bearing an eligible rating;**

102 **(e) Money market mutual funds rated less than "AAA" and equal to or higher**
103 **than "A-" by Standard & Poor's, or the equivalent from any other eligible rating**
104 **service; and**

105 **(f) A mutual fund or other investment fund composed solely and exclusively of**
106 **one or more permissible investments listed in subdivisions (1) to (3) of subsection 1 of**
107 **this section; and**

108 **(3) Cash, including demand deposits, savings deposits, and funds in such**
109 **accounts held for the benefit of the licensee's customers, at foreign depository**
110 **institutions to ten percent of the aggregate value of the licensee's total permissible**
111 **investments if the licensee has received a satisfactory rating in its most recent**
112 **examination and the foreign depository institution:**

113 **(a) Has an eligible rating;**

114 **(b) Is registered under the Foreign Account Tax Compliance Act;**

115 **(c) Is not located in any country subject to sanctions from the Office of Foreign**
116 **Asset Control; and**

117 **(d) Is not located in a high risk or noncooperative jurisdiction as designated by**
118 **the Financial Action Task Force.**

361.1011. 1. The commissioner may suspend or revoke a license or order a
2 **licensee to revoke the designation of an authorized delegate if:**

3 (1) The licensee violates sections 361.900 to 361.1035 or a rule adopted or an
4 order issued under sections 361.900 to 361.1035;

5 (2) The licensee does not cooperate with an examination or investigation by the
6 commissioner;

7 (3) The licensee engages in fraud, intentional misrepresentation, or gross
8 negligence;

9 (4) An authorized delegate is convicted of a violation of a state or federal
10 antimoney laundering statute, or violates a rule adopted or an order issued under
11 sections 361.900 to 361.1035 as a result of the licensee's willful misconduct or willful
12 blindness;

13 (5) The competence, experience, character, or general fitness of the licensee,
14 authorized delegate, person in control of a licensee, key individual, or responsible
15 person of the authorized delegate indicates that it is not in the public interest to permit
16 the person to provide money transmission;

17 (6) The licensee engages in an unsafe or unsound practice;

18 (7) The licensee is insolvent, suspends payment of its obligations, or makes a
19 general assignment for the benefit of its creditors; or

20 (8) The licensee does not remove an authorized delegate after the commissioner
21 issues and serves upon the licensee a final order including a finding that the authorized
22 delegate has violated sections 361.900 to 361.1035.

23 2. In determining whether a licensee is engaging in an unsafe or unsound
24 practice, the commissioner may consider the size and condition of the licensee's money
25 transmission, the magnitude of the loss, the gravity of the violation of sections 361.900 to
26 361.1035, and the previous conduct of the person involved.

 361.1014. 1. The commissioner may issue an order suspending or revoking the
2 designation of an authorized delegate, if the commissioner finds that:

3 (1) The authorized delegate violated sections 361.900 to 361.1035 or a rule
4 adopted or an order issued under sections 361.900 to 361.1035;

5 (2) The authorized delegate did not cooperate with an examination or
6 investigation by the commissioner;

7 (3) The authorized delegate engaged in fraud, intentional misrepresentation, or
8 gross negligence;

9 (4) The authorized delegate is convicted of a violation of a state or federal
10 antimoney laundering statute;

11 (5) The competence, experience, character, or general fitness of the authorized
12 delegate or a person in control of the authorized delegate indicates that it is not in the
13 public interest to permit the authorized delegate to provide money transmission; or

14 **(6) The authorized delegate is engaging in an unsafe or unsound practice.**

15 **2. In determining whether an authorized delegate is engaging in an unsafe or**
16 **unsound practice, the commissioner may consider the size and condition of the**
17 **authorized delegate's provision of money transmission, the magnitude of the loss, the**
18 **gravity of the violation of sections 361.900 to 361.1035 or a rule adopted or order issued**
19 **under sections 361.900 to 361.1035, and the previous conduct of the authorized delegate.**

20 **3. An authorized delegate may apply for relief from a suspension or revocation**
21 **of designation as an authorized delegate according to procedures prescribed by the**
22 **commissioner.**

361.1017. 1. If the commissioner determines that a violation of sections 361.900
2 **to 361.1035 or of a rule adopted or an order issued under sections 361.900 to 361.1035**
3 **by a licensee or authorized delegate is likely to cause immediate and irreparable harm to**
4 **the licensee, its customers, or the public as a result of the violation, or cause insolvency**
5 **or significant dissipation of assets of the licensee, the commissioner may issue an order**
6 **requiring the licensee or authorized delegate to cease and desist from the violation. The**
7 **order becomes effective upon service to the licensee or authorized delegate.**

8 **2. The commissioner may issue an order against a licensee to cease and desist**
9 **from providing money transmission through an authorized delegate that is the subject**
10 **of a separate order by the commissioner.**

11 **3. An order to cease and desist remains effective and enforceable pending the**
12 **completion of an administrative proceeding under chapter 536.**

13 **4. A licensee or an authorized delegate that is served with an order to cease and**
14 **desist may petition the circuit court with jurisdiction for a judicial order setting aside,**
15 **limiting, or suspending the enforcement, operation, or effectiveness of the order pending**
16 **the completion of an administrative proceeding under chapter 536.**

17 **5. An order to cease and desist expires unless the commissioner commences an**
18 **administrative proceeding under chapter 536 within ten days after it is issued.**

361.1020. The commissioner may enter into a consent order at any time with a
2 **person to resolve a matter arising under sections 361.900 to 361.1035 or a rule adopted**
3 **or order issued under sections 361.900 to 361.1035. A consent order shall be signed by**
4 **the person to whom it is issued or by the person's authorized representative and shall**
5 **indicate agreement with the terms contained in the order. A consent order may provide**
6 **that it does not constitute an admission by a person that sections 361.900 to 361.1035 or**
7 **a rule adopted or an order issued under sections 361.900 to 361.1035 has been violated.**

361.1023. 1. A person that intentionally makes a false statement,
2 **misrepresentation, or false certification in a record filed or required to be maintained**

3 under sections 361.900 to 361.1035 or that intentionally makes a false entry or omits a
4 material entry in such a record is guilty of a class E felony.

5 2. A person that knowingly engages in an activity for which a license is required
6 under sections 361.900 to 361.1035 without being licensed under sections 361.900 to
7 361.1035 and who receives more than five hundred dollars in compensation within a
8 thirty-day period for this activity is guilty of a class E felony.

9 3. A person that knowingly engages in an activity for which a license is required
10 under sections 361.900 to 361.1035 without being licensed under sections 361.900 to
11 361.1035 and who receives no more than five hundred dollars in compensation within a
12 thirty-day period for this activity is guilty of a class A misdemeanor.

361.1026. The commissioner may assess a civil penalty against a person that
2 violates sections 361.900 to 361.1035 or a rule adopted or an order issued under sections
3 361.900 to 361.1035 in an amount not to exceed one thousand dollars per day for each
4 day the violation is outstanding, plus this state's costs and expenses for the investigation
5 and prosecution of the matter, including reasonable attorney's fees.

361.1029. 1. If the commissioner has reason to believe that a person has violated
2 or is violating section 361.930, the commissioner may issue an order to show cause why
3 an order to cease and desist shall not be issued requiring that the person cease and desist
4 from the violation of section 361.930.

5 2. In an emergency, the commissioner may petition the circuit court with
6 jurisdiction for the issuance of a temporary restraining order under the rules of civil
7 procedure.

8 3. An order to cease and desist becomes effective upon service to the person.

9 4. An order to cease and desist remains effective and enforceable pending the
10 completion of an administrative proceeding under chapter 536.

11 5. A person that is served with an order to cease and desist for violating section
12 361.930 may petition the circuit court with jurisdiction for a judicial order setting aside,
13 limiting, or suspending the enforcement, operation, or effectiveness of the order pending
14 the completion of an administrative proceeding under chapter 536.

15 6. An order to cease and desist expires unless the commissioner commences an
16 administrative proceeding within ten days after it is issued.

361.1032. In applying and construing sections 361.900 to 361.1035, consideration
2 shall be given to the need to promote uniformity of the law with respect to its subject
3 matter among states that enact it.

361.1035. 1. A person licensed in this state to engage in the business of money
2 transmission shall not be subject to the provisions of sections 361.900 to 361.1035 to the

3 extent that they conflict with current law or establish new requirements not imposed
4 under current law, until such time as the licensee renews the licensee's current license.

5 2. Notwithstanding subsection 1 of this section, a licensee shall only be required
6 to amend its authorized delegate contracts for contracts entered into or amended after
7 the effective date or the completion of any transition period contemplated under
8 subsection 1 of this section. Nothing herein shall be construed as limiting an authorized
9 delegate's obligations to operate in full compliance with sections 361.900 to 361.1035 as
10 required by subsection 3 of section 361.975.

11 ~~[361.700. 1. Sections 361.700 to 361.727 shall be known and may be
cited as the "Sale of Checks Law".~~

2 ~~2. For the purposes of sections 361.700 to 361.727, the following
terms mean:-~~

3 ~~(1) "Check", any instrument for the transmission or payment of money
and shall also include any electronic means of transmitting or paying money;~~

4 ~~(2) "Director", the director of the division of finance;~~

5 ~~(3) "Licensee", any person duly licensed by the director pursuant to
sections 361.700 to 361.727;~~

6 ~~(4) "Person", any individual, partnership, association, trust or
corporation.]~~

7 ~~[361.705. 1. No person shall issue checks in this state for a
consideration without first obtaining a license from the director; provided,
however, that sections 361.700 to 361.727 shall not apply to the receipt of
money by an incorporated telegraph company at any office or agency of such
company for immediate transmission by telegraph nor to any bank, trust
company, savings and loan association, credit union, or agency of the United
States government.~~

8 ~~2. Any person who violates any of the provisions of sections 361.700
to 361.727 or attempts to sell or issue checks without having first obtained a
license from the director shall be deemed guilty of a class A misdemeanor.]~~

9 ~~[361.707. 1. Each application for a license pursuant to sections
361.700 to 361.727 shall be in writing and under oath to the director in such
form as he may prescribe. The application shall state the full name and
business address of:~~

10 ~~(1) The proprietor, if the applicant is an individual;~~

11 ~~(2) Every member, if the applicant is a partnership or association;~~

12 ~~(3) The corporation and each officer and director thereof, if the
applicant is a corporation.~~

~~2. Each application for a license shall be accompanied by an
investigation fee of three hundred dollars. If the license is granted the
investigation fee shall be applied to the license fee for the first year. No
investigation fee shall be refunded.]~~

2 ~~[361.711. Each application for a license shall be accompanied by a~~
3 ~~corporate surety bond in the principal sum of one hundred thousand dollars.~~
4 ~~The bond shall be in form satisfactory to the director and shall be issued by a~~
5 ~~bonding company or insurance company authorized to do business in this~~
6 ~~state, to secure the faithful performance of the obligations of the applicant and~~
7 ~~the agents and subagents of the applicant with respect to the receipt,~~
8 ~~transmission, and payment of money in connection with the sale or issuance of~~
9 ~~checks and also to pay the costs incurred by the division to remedy any breach~~
10 ~~of the obligations of the applicant subject to the bond or to pay examination~~
11 ~~costs of the division owed and not paid by the applicant. Upon license~~
12 ~~renewal, the required amount of bond shall be as follows:~~

13 ~~(1) For all licensees selling payment instruments or stored value cards,~~
14 ~~five times the high outstanding balance from the previous year with a~~
15 ~~minimum of one hundred thousand dollars and a maximum of one million~~
16 ~~dollars;~~

17 ~~(2) For all licensees receiving money for transmission, five times the~~
18 ~~greatest amount transmitted in a single day during the previous year with a~~
19 ~~minimum of one hundred thousand dollars and a maximum of one million~~
20 ~~dollars.—~~

21 ~~If in the opinion of the director the bond shall at any time appear to be~~
22 ~~inadequate, insecure, exhausted, or otherwise doubtful, additional bond in~~
23 ~~form and with surety satisfactory to the director shall be filed within fifteen~~
24 ~~days after notice of the requirement is given to the licensee by the director. An~~
25 ~~applicant or licensee may, in lieu of filing any bond required under this~~
26 ~~section, provide the director with an irrevocable letter of credit, as defined in~~
27 ~~section 400.5-103, issued by any state or federal financial institution.~~
28 ~~Whenever in the director's judgment it is necessary or expedient, the~~
29 ~~director may perform a special examination of any person licensed under~~
30 ~~sections 361.700 to 361.727 with all authority under section 361.160 as though~~
31 ~~the licensee were a bank. The cost of such examination shall be paid by the~~
32 ~~licensee.]~~

2 ~~[361.715. 1. Upon the filing of the application, the filing of a certified~~
3 ~~audit, the payment of the investigation fee and the approval by the director of~~
4 ~~the necessary bond, the director shall cause, investigate, and determine~~
5 ~~whether the character, responsibility, and general fitness of the principals of~~
6 ~~the applicant or any affiliates are such as to command confidence and warrant~~
7 ~~belief that the business of the applicant will be conducted honestly and~~
8 ~~efficiently and that the applicant is in compliance with all other applicable~~
9 ~~state and federal laws. If satisfied, the director shall issue to the applicant a~~
10 ~~license pursuant to the provisions of sections 361.700 to 361.727. In~~
11 ~~processing a renewal license, the director shall require the same information~~
12 ~~and follow the same procedures described in this subsection.~~

13 ~~2. Each licensee shall pay to the director before the issuance of the~~
14 ~~license, and annually thereafter on or before April fifteenth of each year, a~~
~~license fee of three hundred dollars.~~

15 3. ~~The director may assess a reasonable charge, not to exceed three~~
16 ~~hundred dollars, for any application to amend and reissue an existing license.]~~

2 ~~[361.718. Every licensee shall at all times have on demand deposit in a~~
3 ~~federally insured depository institution or in the form of cash on hand or in the~~
4 ~~hands of his agents or in readily marketable securities an amount equal to all~~
5 ~~outstanding unpaid checks sold by him or his agents in Missouri, in addition to~~
6 ~~the amount of his bond. Upon demand by the director, licensees must~~
7 ~~immediately provide proof of such funds or securities. The director may make~~
8 ~~such demand as often as reasonably necessary and shall make such demand to~~
~~each licensee, without prior notice, at least twice each license year.]~~

2 ~~[361.720. Each licensee may conduct business at one or more~~
3 ~~locations within this state and by means of employees, agents, subagents or~~
4 ~~representatives as such licensee may designate. No license under sections~~
5 ~~361.700 to 361.727 shall be required of any such employee, agent, subagent or~~
6 ~~representative who sells checks in behalf of a licensee. Each such agent,~~
7 ~~subagent or representative shall upon demand transfer and deliver to the~~
8 ~~licensee the proceeds of the sale of licensee's checks less the fees, if any, due~~
~~such agent, subagent or representative.]~~

2 ~~[361.723. Each licensee shall file with the director annually on or~~
3 ~~before April fifteenth of each year a statement listing the locations of the~~
4 ~~offices of the licensee and the names and locations of the agents or subagents~~
5 ~~authorized by the licensee to engage in the sale of checks of which the licensee~~
~~is the issuer.]~~

2 ~~[361.725. The director may at any time suspend or revoke a license,~~
3 ~~for any reason he might refuse to grant a license, for failure to pay an annual~~
4 ~~fee or for a violation of any provision of sections 361.700 to 361.727. No~~
5 ~~license shall be denied, revoked or suspended except on ten days' notice to the~~
6 ~~applicant or licensee. Upon receipt of such notice the applicant or licensee~~
7 ~~may, within five days of such receipt, make written demand for a hearing. The~~
8 ~~director shall thereafter hear and determine the matter in accordance with the~~
~~provisions of chapter 536.]~~

2 ~~[361.727. The director shall issue regulations necessary to carry out~~
3 ~~the intent and purposes of sections 361.700 to 361.727, pursuant to the~~
4 ~~provisions of section 361.105 and chapter 536.]~~

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